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BOOK REVIEWS AND NOTICES

The Nature of Peace and the Terms of Its Perpetuation. By THORSTEIN VEBLEN. New York: Macmillan, 1917. 8vo, pp. xiii+367. \$2.00.

Mr. Veblen has applied the conception which he entertains of the present economic order of society to the problem of securing a permanent peace. Mr. Veblen's conception of existing society his readers have found in the *Theory of the Leisure Class* and the *Theory of Business Enterprise*. In brief, it contemplates a society in which the usufruct of the creative industry of the community passes into the hands of the small fraction of those who own and control the community's wealth and the opportunities for labor. From this is subtracted what goes to the upkeep of the masses, including some expenditures which are not necessary for upkeep, but represent needs which have arisen through imitation of the well-to-do and wealthy. These expenditures, however, tend to be kept within narrow bounds in proportion as the business organization of the community is effective and clear-headed. The expenditures of those who possess or control the wealth of the community beyond what is involved in upkeep and investment fall under the Veblenian category of "pecuniary waste and personal futility," a category of expenditure which is indefinitely extensible. Such a society moves inevitably toward the sharpest opposition of interests, on the one hand those of the masses made up of the common people, i.e., the operatives, together with the farmers who entertain the illusion that they are in control of the agricultural industry of the country, and on the other those of the wealthy who control the usufruct of the industry of the community, together with the well-to-do, who, as agents of those in possession, find their advantage to go with that of their masters. This clash of interests is favored by certain characteristics of this modern industrial period, especially the breakdown of the earlier feudal loyalties of the man for his master due to the attention shifting from persons, in their social relations, to things, i.e., the mechanisms of industry. Machinery in breaking up the crafts industry with its emphasis upon persons has also tended to destroy the social structure of mediaeval Europe with its habitual unthinking subordination of the lower groups to the ruling or economically "kept"

class. The preservation of a certain amount of competition still gives the employee a measure of independence, and inventions at times bring within his reach a higher standard of living. Such an industrial life furnishes the economic background of the war.

Politically the distinction of first importance is that between the dynastic states and those with so-called liberal institutions. The important instances of the former class are imperial Germany and imperial Japan. While the general attitude of the liberal states with more democratic institutions is "to live and let live," the inevitable push of the dynastic state is toward domination and more domination. It can exist only in the continual exercise of this impulse. It must therefore depend upon military organization within the state and upon conquest and the threat of conquest in its relations with other states. Two social attitudes render the dynastic state possible, that of feudal loyalty for the dynastic ruler and that of patriotism. The preservation of this first trait, that of feudal loyalty, in the German and Japanese people is due to their being politically less developed or, as Veblen states it, less mature. In course of time the operation of machine industry in the community will presumably deprive the people of these communities also of this capacity for dynastic loyalty, but for the present the perilous circumstance for Europe and America is that such dynasties have, in Veblen's opinion, complete control of their peoples, despite their industrial efficiency, and must act militantly, i.e., must be true to their nature. The other trait, that of patriotism, is common to both types of states, the dynastic and the more democratic communities.

In passing it is well to correct the impression that actual political control, according to Veblen, belongs to the masses in democratic communities; on the contrary, it rests inevitably with the small fraction who control the wealth of the community. The difference in the two types of communities lies in the disappearance, through neglect, of the trait of dynastic loyalty. It is also well to note that, according to Veblen, in the liberal or "night-watchman" state the material interests of the possessing class on the one hand and of the common man on the other are so diverse that no patriotic enterprise can be of common interest to both. In fact no patriotic enterprise can possibly be of benefit to the community at large in a material sense.

In its economic, biologic, and cultural incidence patriotism seems to be an untoward trait of human nature; which of course has nothing to say as to its moral excellence, its aesthetic value, or its indispensability to a worthy life. . . . Its moral and aesthetic value signify for the purposes of this argument

nothing more than that the patriotic animus meets the unqualified approval of men because they are, all and severally, infected with it [p. 47].

The emulative spirit that comes under the head of patriotism commonly if not invariably seeks its differential advantage by injury of the rival rather than by increase of the homebred well-being [p. 33].

Apart from prestige values these things (the so-called moral issues which commend a war to the community, such as "National Honor," "A Place in the Sun," "The Freedom of the Seas," "The Open Door," and the like) are worth fighting for only as prospective means of fighting [p. 37].

So that the chief material use of the patriotic bent in modern populations appears to be its use to a limited class of persons engaged in foreign trade, or in business that comes in competition with foreign industry. It serves their private gain by lending effectual countenance to such restraint of international trade as would not be tolerated within the national domain. In so doing it has the secondary and more sinister effect of dividing nations on lines of rivalry and setting up irreconcilable claims and ambitions, of no material value but of far-reaching effect in the way of provocation to further international estrangement and eventual breach of the peace [pp. 75 and 76].

The aggregate cost to the community of such an enterprise in retardation (i.e., patriotic enterprises in military or trade wars) is always more than the gains it brings to those who may benefit by it [p. 54].

Into this cultural and technological system of the modern world the patriotic spirit fits like dust in the eyes and sand in the bearings. . . . The patriotic spirit is at cross-purposes with modern life, but in any test of the case it is found that the claims of life yield before those of patriotism; and any voice that dissents from this is a voice crying in the wilderness [pp. 40 and 41].

Finally we have Veblen's definition of patriotism as "a sense of partisan solidarity in respect of prestige," and "a sense of undivided joint interest in a collective body of prestige" (31). The prestige here referred to is the feeling of national superiority arising out of national invidious comparisons, though dependent on an organization of impulses which are physically inherited. Patriotism is then an attitude of mind which is socially inherited, and according to the author is very uniformly present in all the populations of Europe and among the Japanese, though absent from the Chinese. It is the only important common social trait of the common man in the community and the member of the wealthy class, so that when appealed to it unifies the community for the time being.

It does need as long an argument as Veblen gives to the undertaking to prove from these premises that a permanent peace is possible only with the elimination of the dynastic states on the one hand and on the other of those issues which call out the "emulative spirit that comes under the head of patriotism." These issues are found in the national support of the claims of the citizen abroad, in the favoring of national industry by protective tariffs and trade wars, and in the imperial control of weaker communities by the stronger in the supposed interest of home industry and commerce, or in the interest of national prestige. In the interstices of the author's too-elaborate argument one finds a number of alternatives imbedded that prove to be of considerable interest. Assuming that the dynastic states cannot be eliminated, we must contemplate the other alternatives, that of submission and that of some agreement with the preservation of the balance of power.

In the consideration of the alternative of the acceptance of submission on the part of the democratic countries to the imperial establishment of Germany, Veblen dwells upon two phases of the social situation. The first of these is that so far as the material interests of the common man are concerned he would suffer no loss in such submission. The present order of private ownership with the concentration of financial control in the hands of the few takes away from the common man the means and the incentive to a life in which he is able personally to control the manner and ends of his living. On the one hand he finds himself in a vast system in which efficiency means the reduction of his wage to the level of maintenance of himself and those dependent on him, with the few crumbs that drop to him from the inventor's and manager's table increasing incidentally his comfort and the standard of his living. On the other hand he is psychologically bound, according to Veblen, in his expenditures beyond the limits of the demand for food, shelter, and covering his and his wife's and children's nakedness to imitate the pecuniary waste and personal futility which characterizes the spending of the possessing and well-to-do classes. In the so-called democratic countries he does not even get the benefit of a wide community view of the physique and morale of the operative, for under the system of private control of the country's wealth and competition between capitalists the employer feels no responsibility for the upkeep of his man power. When this is worn out it renews itself. If his machinery wears out he must replace it at his own expense. If his workers are worn out they are replaced at the expense of those who come to take the positions of the workers who have been scrapped. Veblen draws out at some length and with

his accustomed power of innuendo the advantages which would accrue to the common man from the German imperial control of the social order. All the advantages which he lists would arise from the imperial (Veblen always capitalizes "Imperial") control of private industry, in this way approaching the overthrow of the present system of the business man's control over the industries of the country.

Probably no more effective way of presenting the disabilities of the operative in the modern machine industry could be found than in emphasizing the material advantages which would accrue to him in case he accepted complete political subjection to a foreign imperialistic power.

Evidently if the common man of the modern nations that are prospectively to be brought under the tutelage of the Imperial government could be brought to the frame of mind that is habitual with his Chinese counterpart, there should be a fair hope that pacific counsels would prevail and that Christendom would so come in for a régime of peace by submission under this Imperial tutelage. But there are always those preconceptions of self-will and insubordination to be counted with among these nations, and there is the ancient habit of contentious national solidarity in defense of the nation's prestige, more urgent among these peoples than any sentiment of solidarity with mankind at large, or any ulterior gain in civilization that might come of continued discipline in the virtues of patience and diligence under distasteful circumstances. The occidental conception of manhood is in some considerable measure drawn in negative terms. So much so that whenever a question of the manly virtues comes under controversy it presently appears that at least the indispensable minimum, and indeed the ordinary marginal modicum, of what is requisite to a worthy life is habitually formulated in terms of what is not. . . . The indispensable demands of modern manhood take the form of refusal to obey extraneous authority on compulsion; of exemption from coercive direction and subservience; of insubordination, in short. But it is always understood as a matter of course that this insubordination is a refusal to submit to irresponsible or autocratic rule. Stated from the positive side it would be the freedom from restraint by, or obedience to, any authority not constituted by express advice and consent of the governed. . . . The common man, in these modern communities, shows a brittle temper when any overt move is made against this heritage of civil liberty. He may not be well advised in respect to what liberties he will defend and what he will submit to; but the fact is to be counted with in any projected peace that there is always this refractory residue of terms not open to negotiation or compromise. Now it so happens that these residual principles of civil liberty have come to blend and coalesce with a stubborn preconception of national integrity and national prestige. So that in the work-day apprehension of the common man not given

to analytic excursions any infraction of the national integrity or any abatement of the national prestige has come to figure as an insufferable infringement on his personal liberty and on those principles of humanity that makes up the categorical articles of the secular creed of Christendom. The fact may be patent on reflection that the common man's substantial interest in the national integrity is slight and elusive, and that in sober common sense the national prestige has something less than a neutral value to him; but this state of the substantially pertinent facts is not greatly to the essence of the case, since his preconceptions in these premises do not run to that effect, and since they are of too hard-and-fast a texture to suffer any serious abatement within such a space of time as can come in question here and now.

Veblen nowhere recognizes in the society within a nation, nor in the relations of nations to each other, any comprehensive principle of social growth.

In a few words, the common man gets no advantage out of the structure of society which he fights to protect. He fights to protect it because through historical causes he has come to resent direction in which he has no voice; and although it is true that he is not able to control his own industrial condition through the operation of liberal institutions, still he has identified his independence with these institutions and the institutions with the national prestige. Veblen regards these identifications as largely accidental, but recognizes them, not only as everywhere present in the so-called democratic communities, but as so grounded in fixed habits that there is no likelihood of their changing in the near future. Therefore the workingman will not adopt the Chinaman's attitude and will not accept the domination of a German autocracy though it would be on the whole to his material advantage.

On the other hand the German will remain in his attitude of feudal loyalty for the same reason, i.e., the force of secular habits. Here Veblen sees a necessary change in the end. The machine ordering of life, the dependence on things instead of persons which characterizes our technological industry and the life that is shaped by dominant industry, will in the end make a feudal loyalty to the Prussian dynasty impossible, but it will be a long process in which old custom will slowly die from disuse. Veblen sees no revolution on the horizon in Germany. Neither through submission to the imperial establishment of Germany nor through the liberalizing of the institution of Germany is a permanent peace to be realized, at least within the lifetime of the oncoming generation.

There remains the alternative of the conquest of the military government of Germany and its elimination from a decisive position in the

Western World. What prospects of permanent peace would this bring with it? Nothing in the fundamental attitudes of the peoples of the democratic countries offers a serious obstacle to such a permanent peace. There will still be dangers from the sense of the national prestige, but there is nothing inconceivable in working out a system by which difficulties of this sort could be met. There is nothing in the institutions of the western entente powers which fundamentally opposes the idea of peace as does the will to domination which is the very nature of the German autocracy and, one should add, of the Japanese autocracy. War is a necessity for a monarchy which rests upon a military basis. No such logical contrary to peace exists in the structure of the communities which are fighting the Central Powers. What is necessary to reach such an understanding that war could be avoided is the abandonment of the causes of war. These are the domination of colonies and spheres of influence for avowedly commercial reasons; the national support of concessions and investments made by citizens of one country in the enterprises of another, protective tariffs and trade wars, and finally the absence of neutralization of citizenship.

Although this last elimination of a cause of war is referred to quite frequently by the author, it is most unsatisfactorily treated. His illustration is found in the large numbers of foreign citizens who live quite contentedly in the United States without becoming naturalized. He does not discuss their loss of the privileges of political life in America nor the detriment to our community of the presence of large numbers who are intimately affected by the political conditions which they cannot help to control. Nor does he discuss the manner in which without change of citizenship people could become a part of the governing body of the community within which they happen to reside. Presumably Veblen contemplates a situation in which national consciousness would largely if not entirely disappear, and with it any citizenship which would have to be protected when the individual found himself in foreign parts. This seems a fair assumption because the author finds nothing in a national consciousness which has any other function than that of providing possible causes for hostilities between different communities.

Not only does the removal of these occasions for war involve no fundamental conflict with the structure of liberal states of the Western World, but Veblen could sense a real movement in the direction of these changes in international life when his book was published in February of last year. Since then the demand for such measures for the safeguarding of peace has become much more articulate. They are logical

expressions of the animus of the liberal state to live and let live. The author, however, sees another danger to peace which successful accomplishment of all these measures would not remove. A peace in our modern industrial state would quicken the industrial process under its present financial control. It would hasten the process by which the community is being divided into the nine-tenths who are without possession and the social control which possession gives and the tenth which includes those in possession and control and those who are their immediate managerial, legal, engineering, and scientific satellites. The material interests of these two groups in the community are so opposed that a condition favorable to their sharp differentiation must tend to precipitate a struggle between them, a struggle whose issue would be the continued control of the process of industry in the interest of private financial gain. The appearance of this revolution or the serious threat of it would complicate the peace of the world, for no more effective damper upon revolution could be found than the awakening of patriotic fervor by an attack upon another country, and the danger of the spread of revolutionary spirit from one country to others might well lead those countries which viewed with alarm a revolution elsewhere to come to the assistance of the propertied classes with their military power. Thus even a peace which had been won by the elimination of the dynastic power of Germany would carry in its own bosom the germs of social disorder and the threat of later international strife.

The rigidity of the Veblenian categories is occasionally relieved by an apparent recognition of other forces which are there and at work, though they have no logical place in the economic world. Thus the author recognizes a sense of a "community" which has been independent of dynastic loyalty and has been an inheritance in France possibly from Roman times. The English attained a national sense through their earlier revolution in which the dynasty lost its hold on the loyalty of the people; and yet the attitude of these peoples, commonly called democratic, is referred to by Veblen as a habit of "insubordination." He recognizes that the spirit of these people with so-called liberal institutions is "to live and let live," though the reason for this more social attitude is found only in the absence of an imperial establishment. In a word, there is no indication of positive social forces in society which in the midst of imperialistic, political, and economic movements tend toward democratic control. It is of course true that Veblen is writing, not an exposition of the social order, but an account of the prospects for a permanent peace, and yet the reasons he gives for his conclusions could not be

adequate if they left out of account profound social forces that work with or against those which he has depicted. The author's account is of the hostile self-assertion of nations over against each other and of economic groups within these nations.

After all, these conflicts *are* taking place within societies. The economic struggle between the possessing-employed class and the workers of the nation is at the worst within a community in which there are common interests, and common interests beside common national hatreds. The vivid international economic, artistic, scientific, socialistic, religious, and humanitarian movements that affected all classes in all the countries of the Western World before the war are sufficient evidence that there existed an international society within which this catastrophic struggle has arisen. One need not be a Hegelian and maintain that all movements are contradictions arising out of a social situation and leading to a synthesis that harmonizes them to recognize that society exists because it has a principle of life within it, and that the present struggle may very well make possible a higher organization within it, as the conflicts of groups and individual interests have in the past made for a more highly organized community. Veblen isolates the forces of national and class self-assertion in dynastic and capitalistic control and insists that they inevitably work out in social exploitation alone. Yet in the history of human society self-assertion in groups and individuals has led through rivalries, competitions, and finally co-operations to new types of individuals. The present-day legal and political citizens are individuals who have slowly evolved with the institutions which have grown out of group-struggles and a feudal society whose entire occupation was internecine warfare. During the period of this feudal chaos there was indeed an international consciousness which found its expression in the Holy Catholic church and the Holy Roman Empire, for there have always been forms of social conduct which have held people together, as well as the fights in which groups and individuals have sought to destroy and exploit each other. It is true that self-assertion either in the group or in the individual has been universally hostile in its early forms, for a social order in which one can assert himself or his group while he asserts and respects the rights of others comes later and is a development out of the earlier hostile attitude. What Veblen calls patriotism is the attitude of members of a hostile group. A "sense of solidarity in prestige" is the sense of group-superiority which one always possesses or seeks to possess in a fight. If by definition patriotism is to be restricted to the hostile consciousness, all that Veblen says of it is true. But if it is to

include the attitude of members of the community toward other communities in their co-operations and arbitrations and satisfactions of mutual claims, or even in their rivalries and competitions which are conducted in other ways than fighting, a "sense of solidarity in prestige" is not an adequate definition. As the attitude of hostility develops into that of national individuality with the growth of international organization, patriotism in the Veblenian sense will be an early stage in the development of such a community sense as can function in an international society.

The passage of feudal loyalty into loyalty to a national monarch was due to mediation by this latter loyalty of a consciousness of a larger society. It was not simply the transfer of a blind attitude of subordination from one master to another. Nor was the formation of the German Empire the result of a blind transfer of loyalties. It was the achievement of the German national consciousness that made this loyalty to the Hohenzollerns possible. This positive content of national consciousness Veblen's doctrine of patriotism ignores. It is a consciousness that comes with the feel of the greater values that belong to more complete community life. In all fields of social endeavor it is the sense of value for the community that is the basis of the final estimate, and the more complete this community sense can be the truer will be our estimates. To resolve this social consciousness into its negative expression in fighting is to lose, not only its positive import, but also the recognition of its passage from the negative form into that which can animate a society of nations. It is entirely true that a dynastic state must stand on a militaristic foundation and under any condition must be a continual threat of war. But the dynastic state may dig its own grave by advancing social organization, as indeed the German bureaucracy was doing till it took refuge in the present war. The opportunity of the German government after the formation of the empire, lay in the fact that its militaristic state was independent alike of the capitalistic employer and the masses of the laborers. This superiority over the industrial and financial group enabled the German government to inaugurate a program of social legislation which nations with liberal institutions have but tardily undertaken. In the countries with liberal institutions the financial and industrial magnates have so dominated their governments that this German legislation, though undertaken in the interests of the workingman, has been but slowly copied. Two powerful influences in the support of the German dynastic government are then the achievement of the German nation and of a continuous program of progressive social legislation. Veblen's account considers nothing but the age-long

habit of loyalty to dynastic masters in German land. Though habits so ingrained change of themselves but slowly, a government that is dependent for its popular support upon its recent social achievements may well fall when such accomplishments fail. Veblen's formula is too simple and abstract.

Veblen's book was written before the publication of the program of the English Labor party and the author was unable to comment on it. It is a program that assumes that the wealth of the community can and may be commandeered for the common good. All governments among the belligerents are acting today upon that principle. Unquestionably such a program would not have been formulated by the English Labor party at this time but for the war, but it is after all an outcome of the democratic movement in our modern industrial democracies. It is not a movement to abolish private property. It aims to proceed slowly and experimentally. It has been dependent on the development of many forces besides the growing power of organized labor. Education, sanitary science, the prevention and elimination of disease, improved housing, and other social undertakings have contributed to the formation of the present conception of what should be the standard of life, and this is responsible for the recognition that the wealth of the community can be and should be spent by the community for those community values which can be obtained in no other way. Now this movement which gives the content to the program by the English Labor party gets no recognition from Veblen, who sees only the tendency of wealth to gravitate into the hands of the few, and their tendency to spend it for purposes of conspicuous waste or, to use his other formula, "pecuniary waste and personal futility." Veblen's formulas are too simple and abstract to do justice either to social movements or to the psychology of the individual.

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Trade Unionism in the United States. By ROBERT F. HOXIE.
New York: D. Appleton & Co., 1917. \$2.50.

Professor Hoxie's critique on American trade unions appears at a time when they are more securely intrenched in American life than ever before. It is timely both because it throws light on the efforts and purposes of these organizations and because it lays the intellectual groundwork for sound programs for economic reconstruction. Inevitably as the war draws to a close, and as the forces which it is shaping